

DEPARTMENT OF SOCIAL SERVICES



744 P Street, Sacramento, CA 95814

March 25, 1991

ALL COUNTY LETTER NO. 91-26

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: FOOD STAMP INTENTIONAL PROGRAM VIOLATION (IPV)-
PROMPT DISQUALIFICATION, NOTIFICATION, ALLOTMENT
REDUCTION, AND REPORTING.

The purpose of this letter is to remind Counties of the regulations and procedures pertaining to intentional Program violation (IPV) disqualification, recoupment, and reporting. The need to reemphasize the regulations and procedures pertaining to IPV's has become apparent as a result of procedure reviews that have consistently revealed that these procedures and regulations are not being applied.

The following regulation citations set forth the specific instructions for eligibility staff to implement IPV disqualifications, recoupment, and reporting. Please remind all eligibility staff to observe these regulations and procedures.

Handling Potential IPV's

Cases in which the overissuance is suspected to be an IPV shall be handled as an inadvertent household error (IHE) until the IPV is established. This is required under MPP 63-801.231 which states in part that..."Prior to a determination of intentional Program violation the claim against the household shall be established and handled as an IHE claim". The initiation of collection action should immediately be pursued except in the rare instance where collection action may jeopardize a case, then collection action may be postponed as specified in MPP 63.801.4. However, the County must be able to fully document the reason why initiating collection action would jeopardize the case.

For active cases allotment reduction should immediately begin without delay once the claim is established and the appropriate notice of action, Food Stamp Repayment Notice (DFA 377.7B), is sent to the household and the household does not respond to the DFA 377.7B within 30 days. For closed cases, collection action should be initiated once the claim is established and the household has been sent the DFA 377.7B and fails to respond within 30 days of the date the notice is mailed.

IHE That Is Subsequently Determined To Be An IPV

The following regulations outline the required procedures after an IHE is determined to be an IPV:

MPP 22-202.223 Waiver of Right to an Administrative Disqualification Hearing

A waiver request form shall be sent with the Notice required by Section 22-202.3 to the respondent. This waiver request form shall be a written notification which informs respondent of the possibility of waiving the ADH...

MPP 22-202.23 If the respondent voluntarily and knowingly submits a signed waiver of his/her right to an ADH within the twenty-day period to the Department, the Department shall submit a signed copy of the waiver to the CWD and shall notify the CWD to initiate the notification of disqualification action and imposition of disqualification penalties in accordance with SDSS' Manual of Policies and Procedures, Division 20, sections 20-300.24, .3, and .4.

MPP 20-300.25 If the Administrative Disqualification Hearing or the court finds that the household member committed intentional Program violation, or if the accused individual has signed a Disqualification Consent Agreement or a waiver of right to an Administrative Disqualification Hearing, the CWD shall mail an Administrative Disqualification notice, DFA 377.7A, to the household member.

MPP 20-300.31 Individuals found to have committed an IPV either through an administrative disqualification hearing or by a court of appropriate jurisdiction shall be ineligible to participate in the Food Stamp program as follows:

- a. Six months for the first violation
- b. Twelve months for the second violation
- c. Permanently for the third violation

MPP 20-300.36 If the individual is not eligible for the Food Stamp program at the time the disqualification period is to begin, the period shall be postponed until the person applies for and is determined eligible for benefits.

MPP 20-300.41 If the hearing authority rules that the household member has committed an intentional Program violation, the CWD shall disqualify the household member beginning with the first month following the date the household member receives the DFA 377.7A.

.411 Five days from the date the notice is mailed shall be considered sufficient time for the written notice to have been received by the household, provided it has not been returned as undeliverable by the post office.

MPP 20-300.42 If the disqualification is ordered by a court of appropriate jurisdiction, but the date for initiating the disqualification period is not specified, the CWD shall initiate the disqualification within 45 days of the date the disqualification was ordered.

MPP 20-300.43 If the household member signed the Disqualification Consent Agreement, then the period of disqualification shall begin within 45 days of the date that the consent agreement was signed, unless contrary to a court order.

The disqualification penalty must begin, and continue uninterrupted until completed, before the mandated time frames to disqualify the individual expire. It is imperative that the County adhere to the time frames specified in the disqualification procedures. Failure to disqualify the individual within the required time frames will not exempt the individual from being disqualified. However, any benefits issued during the disqualification period would be considered an overissuance and the County would be required to establish an administrative error (AE) claim for any benefits received by the disqualified individual.

It is recommended that Counties develop either a case file alert notice (please see attached example) or a case identification code that will indicate an IPV disqualification is to be invoked. This will alert the eligibility worker to:

- o Immediately begin completing the necessary paperwork to invoke disqualification on active cases;
- o Change allotment reduction status from IHE to IPV status and increase the recoupment amount from 10% or \$10, to 20% or \$10, whichever is greater;
- o Alert the County of the need to promptly change the reporting status of the claim from an IHE to an IPV;
- o For Case Data System (CDS) Counties, code the case for disqualification should this recipient reestablish eligibility in the future.

The attached case file alert notice was designed to alert the EW of an IPV disqualification. It will also alert the worker when a grant adjustment or allotment reduction is necessary. It is recommended the County use Golden Rod paper, or other brightly colored paper which will immediately alert the worker that collection or disqualification action is necessary. This form is recommended for County use. If the County wishes to develop their own alert notice they may do so.

Those Counties that desire to use the attached alert notice (TEMP 1787 2/91) may obtain, at no cost, a camera ready reproducible copy by telephoning or writing to:


SDSS Forms Management Unit
744 P Street, MS 7-182
Sacramento, CA 94814
Telephone: (916) 445-8738 or
ATSS 492-8738

The County should also remember to report all IHE to IPV claim status changes in accordance with established regulations, specifically MPP 20-300.51 - .52, and .54. Changing the claim status will result in increased incentive revenue to the County.

It is particularly important that these regulations and procedures be adhered to as the allotment reduction process provides rapid recoupment while the case is active and allows claims to be recovered at minimal cost. This process also avoids the need to initiate other more costly collection procedures later, should the case be discontinued.

Improved attention and adherence to these regulations and procedures will result in increased recoveries, elimination of deficiencies identified through reviews/audits, and reduced collection costs. Please review these regulations with all appropriate eligibility and collections staff in your County.

If you have any questions, please contact the Overpayment Recovery Bureau at (916) 322-5387 or ATSS 492-5387.

for
ROBERT A. HOREL
Deputy Director

Attachment

cc: CWDA

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Overpayment to be
Grant Adjusted/Allotment Reduced

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Individual to be Disqualified for
Food Stamps for:

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6 Months (1st Violation)

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12 Months (2nd Violation)

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Permanently (3rd Violation)